




# **PUBLIC DISCLOSURE STATEMENT**

**KILTER PTY LTD, TRADING AS KILTER  
RURAL**

**ORGANISATION CERTIFICATION  
FY2021–22**

Australian Government  
**Climate Active**  
**Public Disclosure Statement**



NAME OF CERTIFIED ENTITY	Kilter Pty Ltd, trading as Kilter Rural
REPORTING PERIOD	1 July 2021 – 30 June 2022 Arrears report
DECLARATION	<p><i>To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.</i></p>  <p>Albie Ryan ESG &amp; Carbon Analyst 19/09/2022</p>



**Australian Government**  
**Department of Climate Change, Energy,  
the Environment and Water**

Public Disclosure Statement documents are prepared by the submitting organisation. The material in the Public Disclosure Statement document represents the views of the organisation and do not necessarily reflect the views of the Commonwealth. The Commonwealth does not guarantee the accuracy of the contents of the Public Disclosure Statement document and disclaims liability for any loss arising from the use of the document for any purpose.

Version March 2022.



# 1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	108.2 CO <sub>2</sub> -e
OFFSETS BOUGHT	100% ACCUs
RENEWABLE ELECTRICITY	Total renewables 100%
TECHNICAL ASSESSMENT	8/08/2022 Albie Ryan Kilter Next technical assessment due: 8/08/2023
THIRD PARTY VALIDATION	Type 1 8/9/2022 Katherine Simmons KREA Consulting Pty Ltd

## Contents

1. Certification summary .....	3
2. Carbon neutral information.....	4
3. Emissions boundary .....	5
4. Emissions reductions.....	7
5. Emissions summary.....	9
6. Carbon offsets.....	10
7. Renewable Energy Certificate (REC) Summary.....	12
Appendix A: Additional Information.....	13
Appendix B: Electricity summary.....	14
Appendix C: Inside emissions boundary .....	15
Appendix D: Outside emissions boundary .....	16

## 2. CARBON NEUTRAL INFORMATION

### Description of certification

Kilter is to be certified under the Climate Active Carbon Neutral Standard for Organisations (Organisation Standard). The emission inventory in this public disclosure summary covers the 2022 Financial Year. The boundary has been defined based on an operational control approach.

### Organisation description

The Organisation being certified is the Australian business operations of the Kilter Corporate Group. The boundary has been defined based on an operational control approach. The Kilter Corporate Group ('Kilter') comprises of Kilter Pty Ltd (ABN-64 111 305 349) (trading as 'Kilter Rural') and subsidiary, Kilter Investments Pty Ltd (ABN-31 152 558 113). The emissions boundary covers emissions for the operations of Kilter. Kilter has offices in Bendigo, Victoria and Melbourne, Victoria. Note that emissions associated with the Kilter investment portfolio have been excluded from the emissions boundary.

**Kilter aims to continually improve its ESG outcomes. Becoming registered as Carbon Neutral under the Climate Active Standard is a key ESG goal of the organisation.**

## 3. EMISSIONS BOUNDARY

This is a small organisation certification, which uses the standard Climate Active small organisation emissions boundary. Emission sources can be excluded if they do not occur.

### Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

**Quantified emissions** have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

**Non-quantified emissions** have been assessed as relevant and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

### Outside the emissions boundary

**Excluded emissions** are those that have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.

Kilter do not use any stationary energy and fuels within the Organisation.

Inside emissions boundary		Outside emission boundary
<p><b><u>Quantified</u></b></p> <ul style="list-style-type: none"> <li>Accommodation</li> <li>Cleaning and chemicals</li> <li>Electricity</li> <li>Climate Active Carbon Neutral Products</li> <li>Food</li> <li>ICT services and equipment</li> <li>Office equipment &amp; supplies</li> <li>Postage, courier and freight</li> <li>Professional Services</li> <li>Refrigerants</li> <li>Staff Commute</li> <li>Transport (Air)</li> <li>Transport (Land and Sea)</li> <li>Waste</li> <li>Water</li> <li>Working from home</li> </ul>	<p><b><u>Non-quantified</u></b></p> <p>N/A</p>	<p><b><u>Excluded</u></b></p> <ul style="list-style-type: none"> <li>Investments</li> <li>Stationary Fuels and Energy</li> </ul>

**Data management plan for non-quantified sources**

There are no non-quantified sources in the emission boundary that require a data management plan.

# 4. EMISSIONS REDUCTIONS

## Emissions reduction strategy

### Overall Goal

Kilter's overall corporate emissions boundary will be reduced by 30% by 2032.

- The base reporting year is the 2022 Financial Year, the first reporting year for the organisation under Climate Active.
- Overall emissions will be reduced by 15% by 2027 (FY27).

### Key Measurable Goals and Targets

Key measurable 30% reduction goals have been set for the top 5 emissions sources from the Climate Active Inventory. Each goal has related measurable and time-bound targets such as an annual average reduction goal, with these to be reviewed and monitored annually.

#### Air transport (Scope 1)

- A reduction in the number of annual flights equivalent to 3 tonnes of CO<sub>2</sub> over 10 years. The annual emissions reduction goal for this category is 0.3 tonnes of CO<sub>2</sub> annually.
- Measurable actions to achieve this goal include:
  - Reducing the number of flights taken by Kilter staff, instead encouraging the use of online meetings or trains when the flight route is shorter.
  - Partnering with Climate Active-certified airlines, such as Virgin Australia's 'Fly Carbon Neutral' product.

#### Food (Scope 3)

- A reduction in emissions from food-related sources equivalent to 3 tonnes of CO<sub>2</sub> over 10 years. With most of this reduction coming from food & catering expenses. The annual emissions reduction goal for this category is 0.3 tonnes of CO<sub>2</sub> annually.
- Measurable actions to achieve this goal include:
  - Many actions capable of reducing emissions in this area are related to practice changes and the source of the food, such as sourcing local produce. These changes would not be accounted for in the current Climate Active inventory given the factor is related only to expenses.
  - Seek out Climate Active-verified catering services and products.

#### Land transport (Scope 1 & 3)

- The majority of emissions from land transport relate to vehicle emissions produced from staff commutes and staff travel to the organisation's fund assets. Emissions from cars are to be reduced by roughly 8 tonnes of CO<sub>2</sub> over 10 years. An annual reduction in emissions of 0.8 tonnes CO<sub>2</sub> each year is required.
- Measurable actions to achieve this goal include:
  - Increase the use of public transport where available, such as regional train services.
  - Consider the future purchase or lease of electric commute vehicles, especially in relation to scope 1 vehicles such as through novated leases
  - Establish a more effective carpool coordination system to reduce number of cars needed when multiple staff travel somewhere.
  - Encourage the downsizing of large vehicles, especially in in relation to scope 1 vehicles such as through novated leases.

#### Professional services (Scope 3)

- Professional services include emissions related to expenses spent on accounting, legal, marketing and advertising services. Overall emissions across these categories needs to be reduced by 9.5 tonnes of CO<sub>2</sub> over 10 years.
- Given the nature of the business, expenses on professional services can significantly vary year-to-year. Therefore, emissions reduction goals will be assessed over a 3-year average reduction, the equivalent of 2.85 tonnes of CO<sub>2</sub> every 3 years.
- Measurable actions to achieve this goal include:
  - Many actions capable of reducing emissions in this area are related to practice changes and selecting lower-emissions professional service partners. These changes would not be accounted for in the current Climate Active inventory given the factor is related only to expenses.
  - Seek out Climate Active-verified professional service organisations.

### Working from home (Scope 3)

- Emissions related to the overall increase in electricity usage from staff working from home (WFH). A 30% reduction in these emissions over 10 years would be achieved by a reduction of 2.8 tonnes of CO<sub>2</sub>. The annual emissions reduction goal for this category is 0.28 tonnes of CO<sub>2</sub>.
- Measurable actions to achieve this goal include:
  - Many actions capable of reducing emissions in this area are related to the type of electricity used at home and other practice changes. These changes would not be accounted for in the current Climate Active inventory given the WFH calculator is a product of WFH hours and general assumptions of WFH practises.
  - The number of hours spent in the office will likely increase as the pandemic wanes, leading to a reduction in emissions from working from home.
  - Increases in commuting emissions must be considered when reducing the number of hours worked from home.

### **Index for Business Growth**

The organisation is currently expanding and seeking to grow the value and diversity of assets under management. Given this growth trajectory, some of the above-stated goals may not be met due to business growth. If this occurs, the following guidelines will be applied:

- Regardless of the resulting indexed emissions value, there must be a clearly demonstrated intention to reduce emissions, on average, over time. If the above-stated measurable actions have not been attempted during the reporting year and the business has seen an increase in the respective emissions category, the index does not apply. Unless the only measurable actions are solely related to the number of staff employed at the time.
- If emissions rise during a reporting period, the reporting period's emissions will be compared to an indexed emissions goal. The goal will be indexed by the relative increase in the business's management fee income (excluding performance fees) compared to the baseline year. For example, if income from management fees increase by an average of 20% between the reporting period and baseline year, the emissions goals will decrease by 20%.



## 5. EMISSIONS SUMMARY

### Use of Climate Active carbon neutral products and services

Certified brand name	Product or Service used
Powershop	Electricity Product

### Organisation emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a market-based approach.

Emission category	Sum of total emissions (tCO <sub>2</sub> -e)
Accommodation and facilities	4.28
Air transport (km)	10.07
Climate Active Carbon Neutral Products (Powershop)	0.00
Cleaning and chemicals	0.52
Electricity	0.00
Food	9.89
ICT services and equipment	6.23
Land and sea transport (km)	27.46
Office equipment & supplies	2.19
Postage, courier and freight	0.59
Professional services	31.53
Refrigerants	0.00
Stationary Fuels and Energy	0.00
Waste	0.68
Water	0.10
Working from home	9.34
<b>Total</b>	<b>102.88</b>

### Uplift factors

An uplift factor is an upwards adjustment to the total carbon inventory to account for relevant emissions, which can't be reasonably quantified or estimated. This conservative accounting approach helps ensure the integrity of the carbon neutral claim.

Reason for uplift factor	tCO <sub>2</sub> -e
compulsory additional 5% of the total to be added for small organisations	5.14
Total of all uplift factors	
<b>Total footprint to offset</b> <i>(total net emissions from summary table + total uplifts)</i>	<b>108.2</b>

## 6. CARBON OFFSETS

### Offsets retirement approach

#### In arrears

1. Total emissions footprint to offset for this report	108.2 tCO <sub>2</sub> -e
2. Total eligible offsets purchased and retired for this report	109 tCO <sub>2</sub> -e
3. Total eligible offsets banked to use toward next year's report	0 tCO <sub>2</sub> -e

### Co-benefits

100% of offsets Kilter purchased for the FY22 reporting period are certified Australian Carbon Credit Units (ACCUs). By purchasing and retiring 100% ACCUs, Kilter has contributed to investment in the local carbon market, helping contribute to Australia's national emissions reduction goals. The ACCUs are sourced from the Glen Ailee Station Native Forest Protection Project. This project has protected native forest from deforestation in the Darling Riverine Plains bioregion. Co-benefits from this project include the contribution to the Sustainable Development Goal 15, Life on Land. In particular, this project contributes to 15.2, 15.3 and 15.5, assisting in the restoration of degraded land and soil which have been affected by deforestation, drought and intensive land-use, helping ensure a land degradation-neutral world, and halting the loss of biodiversity and the degradation of natural habitats.

## Eligible offsets retirement summary

Offsets cancelled for Climate Active Carbon Neutral Certification											
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Stapled quantity	Eligible quantity (tCO <sub>2</sub> -e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total (%)
Glen Ailee Station Native Forest Protection Project	ACCUs	ANREU	19/09/2022	<a href="#">8.331.889.512</a> - <a href="#">8.331.889.620</a>	2021-22		109	0	0	109	100%
<b>Total offsets retired this report and used in this report</b>										109	
<b>Total offsets retired this report and banked for future reports</b>									0		
Type of offset units		Quantity (used for this reporting period claim)					Percentage of total				
Australian Carbon Credit Units (ACCUs)		109					100%				

## 7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

### Renewable Energy Certificate (REC) summary

No RECs were used for this certification.

## APPENDIX A: ADDITIONAL INFORMATION

N/A.

## APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach

### Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

### Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Market Based Approach Summary			
Market Based Approach	Activity Data (kWh)	Emissions (kgCO <sub>2</sub> e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	0	0	0
<b>Total non-grid electricity</b>	<b>0</b>	<b>0</b>	<b>0</b>
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	0	0	0%
GreenPower	5,023	0	100%
Jurisdictional renewables (LGCs retired)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	934	0	19%
Residual Electricity	-934	-929	-19%
<b>Total grid electricity</b>	<b>5,023</b>	<b>-929</b>	<b>100%</b>
<b>Total Electricity Consumed (grid + non grid)</b>	<b>5,023</b>	<b>-929</b>	<b>119%</b>
Electricity renewables	5,957	0	
Residual Electricity	-934	-929	
<b>Exported on-site generated electricity</b>	<b>0</b>	<b>0</b>	
Emissions (kgCO <sub>2</sub> e)		0	
<b>Total renewables (grid and non-grid)</b>	<b>118.59%</b>		
<b>Mandatory</b>	<b>18.59%</b>		
<b>Voluntary</b>	<b>100.00%</b>		
<b>Behind the meter</b>	<b>0.00%</b>		
<b>Residual Electricity Emission Footprint (TCO<sub>2</sub>e)</b>	<b>0</b>		

*Figures may not sum due to rounding. Renewable percentage can be above 100%*

## Location Based Approach Summary

Location Based Approach	Activity Data (kWh)	Scope 2 Emissions (kgCO <sub>2</sub> e)	Scope 3 Emissions (kgCO <sub>2</sub> e)
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	5,023	4,571	502
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
<b>Grid electricity (scope 2 and 3)</b>	<b>5,023</b>	<b>4,571</b>	<b>502</b>
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
<b>Non-grid electricity (Behind the meter)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Electricity Consumed</b>	<b>5,023</b>	<b>4,571</b>	<b>502</b>
<b>Emission Footprint (TCO<sub>2</sub>e)</b>	<b>5</b>		
<i>Scope 2 Emissions (TCO<sub>2</sub>e)</i>	5		
<i>Scope 3 Emissions (TCO<sub>2</sub>e)</i>	1		

## Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO <sub>2</sub> e)
<i>Powershop's Carbon Neutral Electricity Product</i>	14,908	0

*Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.*

# APPENDIX C: INSIDE EMISSIONS BOUNDARY

## Non-quantified emission sources

All emissions sources Kilter assessed as relevant are captured within the emissions boundary and measured (quantified) in the carbon inventory.

# APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

## Excluded emission sources

The below emission sources have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.
5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Kilter's investments are excluded as they have been assessed as not relevant according to the relevance test. The emissions from investments such as the Australian Farmland Funds (AFF) are likely to be very large relative to our electricity, stationary energy, and fuel emissions. Investments such as AFF have been defined as outside of the Organisation's boundary based on the operational control approach. Kilter do not use any stationary energy and fuels within the Organisation.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Investments	Yes	No	No	No	No	No
Stationary Fuels and Energy	No	Yes	No	No	No	No





An Australian Government Initiative

